

State of Illinois
Bruce Rauner, Governor

Department of Employment Security
Jeffrey D. Mays, Director

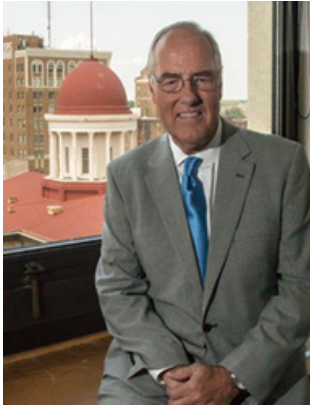


Illinois Department of Employment Security Highlights and Accomplishments

January 2015 – June 2018



LETTER FROM THE DIRECTOR



Eight million touches. That's how many times the Illinois Department of Employment Security (IDES) interacts with Illinois' residents and employers each year. These touches happen in many ways. Hundreds of thousands of touches come from Illinois workers who have been laid off from a job when they seek Unemployment Insurance financial assistance.

Hundreds of thousands of touches come from employers when they file taxes or request tax refunds. Tens of thousands of touches come from unemployed workers and veterans seeking employment guidance or to reconnect with the workforce.

The review that follows seeks to capture the scope and breadth of change that IDES employees have endeavored to make since January 2015 to improve every touch. This review is not in any sense a "Mission Accomplished" victory lap, because we know we still don't get all the touches right. Rather, it is simply the most current chapter in IDES' journal of service to Illinois.

But the beginning of this chapter must start with a thank you to Governor Rauner and his staff for their unwavering support; to the Legislature and their staff for their guidance and engagement; to the statewide business and labor leaders who, at every quarterly meeting encouraged us to stay the course; and most importantly, to my senior leadership and to the 1100+ employees of IDES from Mt. Vernon to Chicago, Quincy to Danville...they didn't just embrace and implement the change...they helped envision it. As Director of IDES, I've had the wind at my back.

Certainly, there remain challenges before us. All that we stretched to accomplish is not done. These challenges will form the core of the next chapter. For our part, I believe IDES is very well positioned to move forward.

Sincerely,

Jeff Mays, Director

Mission

To serve Illinois workers and employers to the best of our ability every time and to use our knowledge of the Illinois workforce to inform sound policy decision making

Vision

The Illinois Department of Employment Security will encourage economic growth and stability in Illinois by providing vital Employment Services to Illinois residents and employers, analyzing and disseminating actionable Labor Market Information, and administering Unemployment Insurance programs.

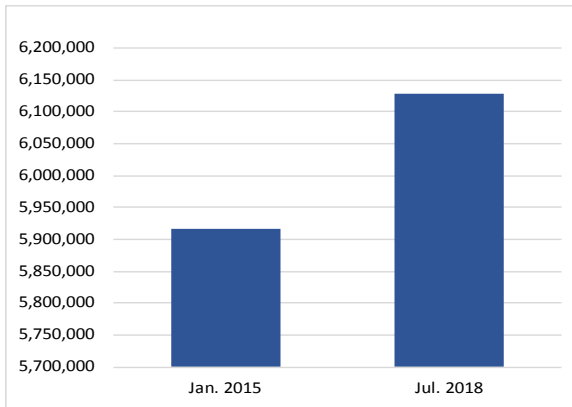
What We Do

- IDES administers the Unemployment Insurance Trust Fund, collecting roughly \$2 billion in employer taxes and disbursing roughly \$2 billion to unemployed claimants each year.
- IDES provides of employment services to employers and job seekers throughout Illinois.
- IDES provides employment and wage data for research and the development of sound public workforce policy.

ECONOMIC EMPOWERMENT

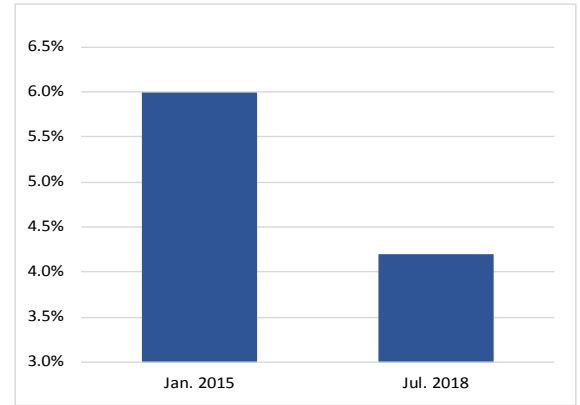
Employment *IS* economic empowerment. Illinois has added nearly 213,000 workers since January 2015.

Illinois has gained nearly 213,000 Nonfarm Jobs



source: CES and LAUS Seasonally Adjusted Data

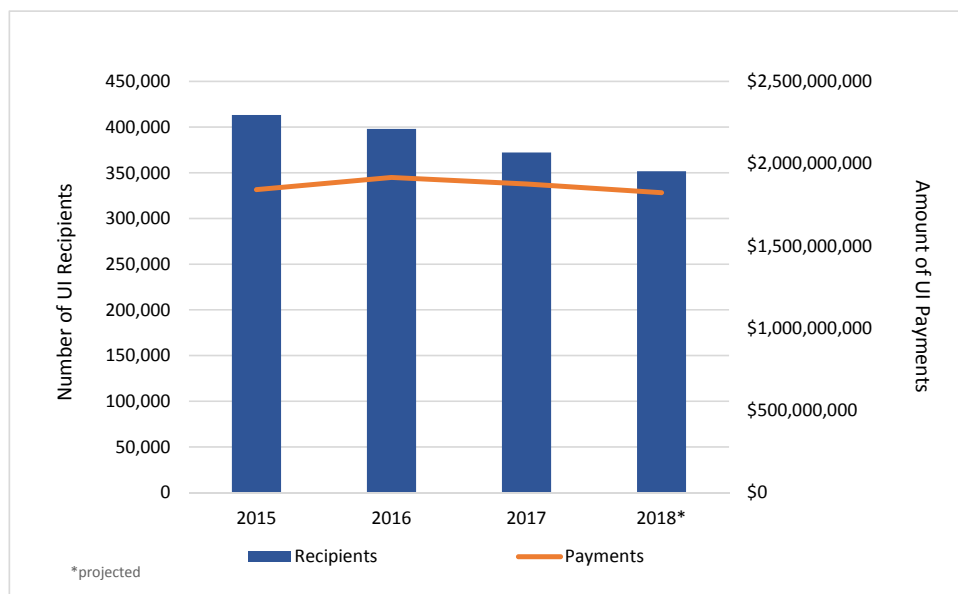
The Illinois Unemployment Rate has dropped from 6.0% to 4.2%



source: CES and LAUS Seasonally Adjusted Data

Unemployment payments provide critical support to hundreds of thousands of Illinois workers each year who have been laid off through no fault of their own. Through June 2018, over 1.336 million individuals have received over \$6.659 billion in benefits to make ends meet during difficult times.

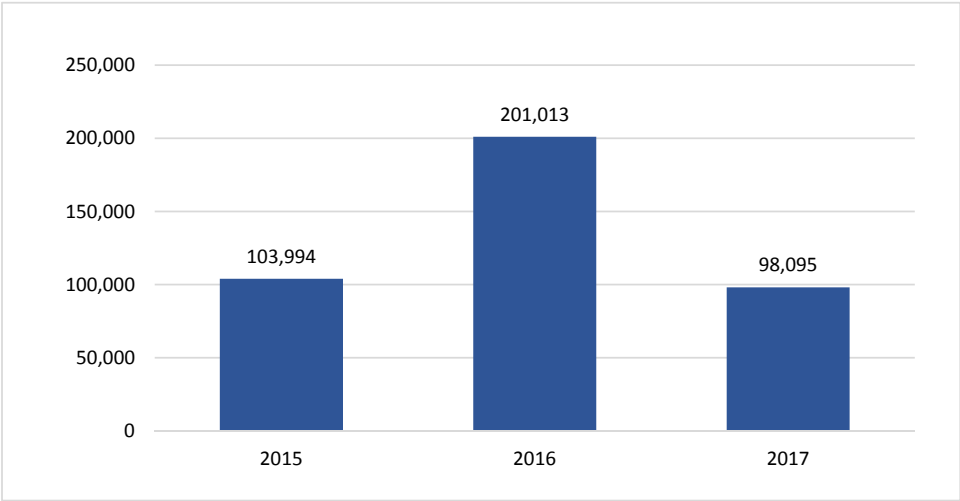
Over 1.34 million individuals have received over \$6.6 billion in benefits



source: ETA 5159 Report

Employers that hire unemployed workers with barriers to employment are eligible to receive a Work Opportunity Tax Credit (WOTC). Through December 2017, IDES has certified nearly \$1 billion in tax credits for employers who have hired over 400,000 workers with barriers to employment.

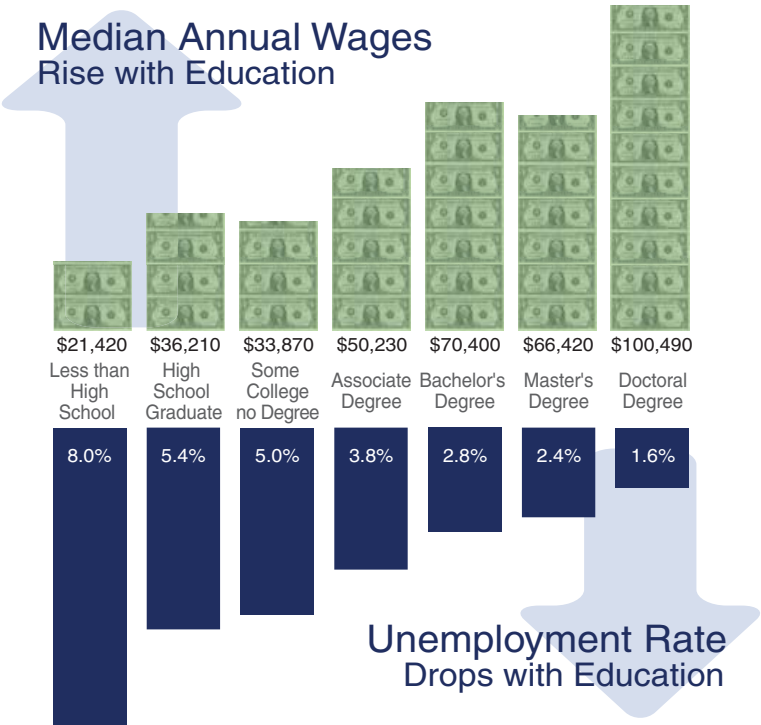
Over 400,000 workers have been certified through the WOTC program in 2015 - 2017



source: U.S. Dept. of Labor

Education attainment impacts median wages and unemployment rates. IDES has worked with Governor Rauner to enhance career information systems for parents and students and to develop mobile applications that show which schools and programs produce the best wage and employment outcomes.

When you learn more, you earn more

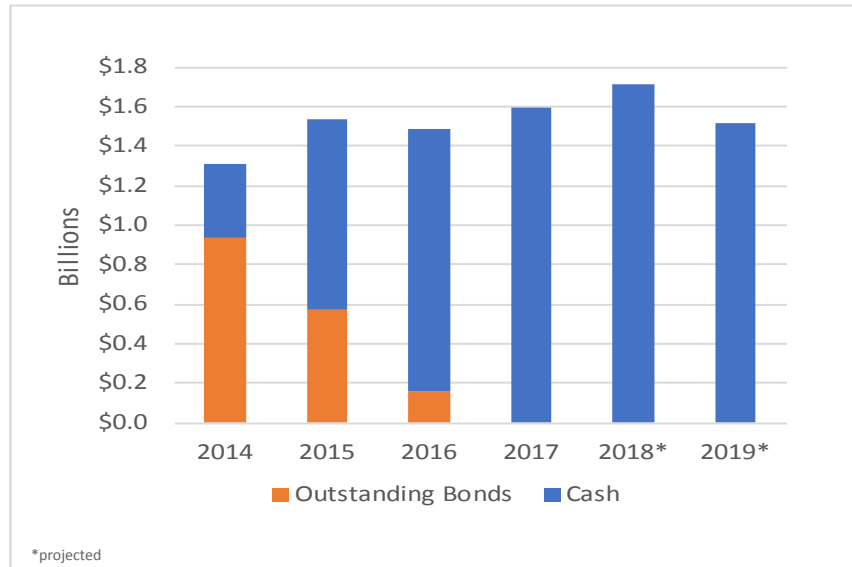


source: Bureau of Labor Statistics (BLS), 2015 Current Population Survey (CPS) and 2015 Occupational Employment Survey (OES)

FISCAL RESPONSIBILITY

Trust Fund Balance: Illinois' Unemployment Insurance Trust Fund balance is \$1.7 billion stronger than it was January 2015:

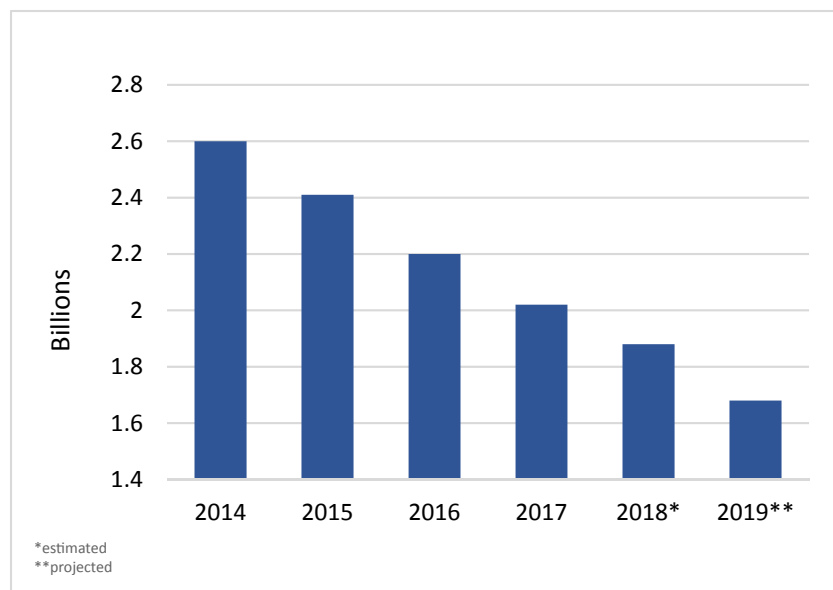
Over \$930 million in bonds have been paid off from Jan. 2015 - Jun. 2018, creating a strong Trust Fund Balance



source: IDES Unemployment Insurance Trust Fund Solvency, June 2018

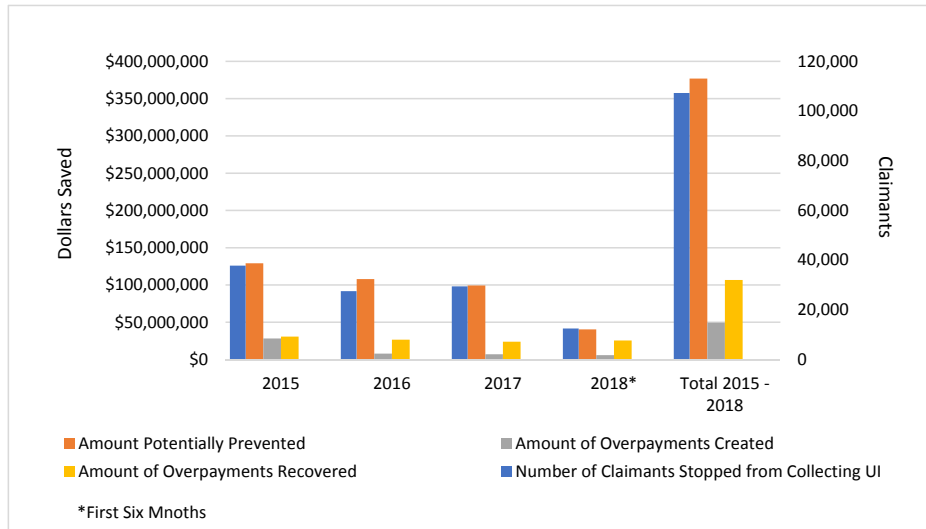
Employer Taxes: Employer UI taxes in 2018 are estimated to be \$720 million LOWER than the last year of the previous administration, and they are projected to drop an additional \$200 million in the coming year.

Employer Taxes have dropped from 2014 - 2017, and are estimated to drop even further in the upcoming years

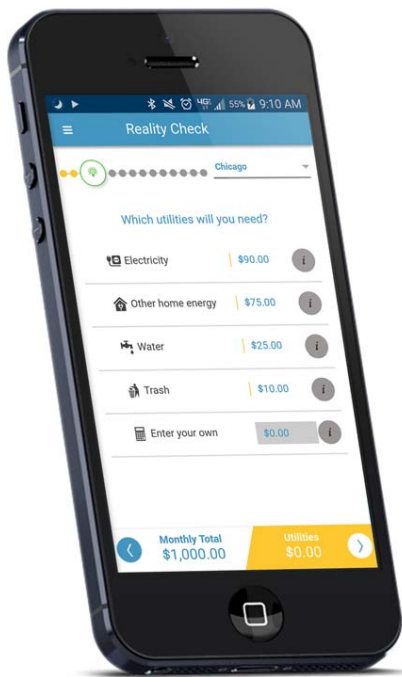


Trust Fund Integrity: IDES has significantly built on previous initiatives by the agency to modernize our anti-fraud enforcement capabilities, minimize improper payments, and enhance collection systems to identify, prevent, and collect monies due the Trust Fund. To date, these efforts have saved the UI Trust Fund over \$225 million.

IDES has saved the UI Trust Fund over \$225 million through anti-fraud measures



TECHNOLOGY TRANSFORMATION



NEW TAX SYSTEM: IDES administers the assessment and collection of the largest single employer tax paid in Illinois. Over 330,000 employers remit nearly \$2 billion in unemployment taxes each year. In partnership with the Illinois Department of Revenue, IDES Developed and launched the most modern UI Tax system in the country, and providing employers a one-stop shop for all state taxes at the Illinois Department of Revenue

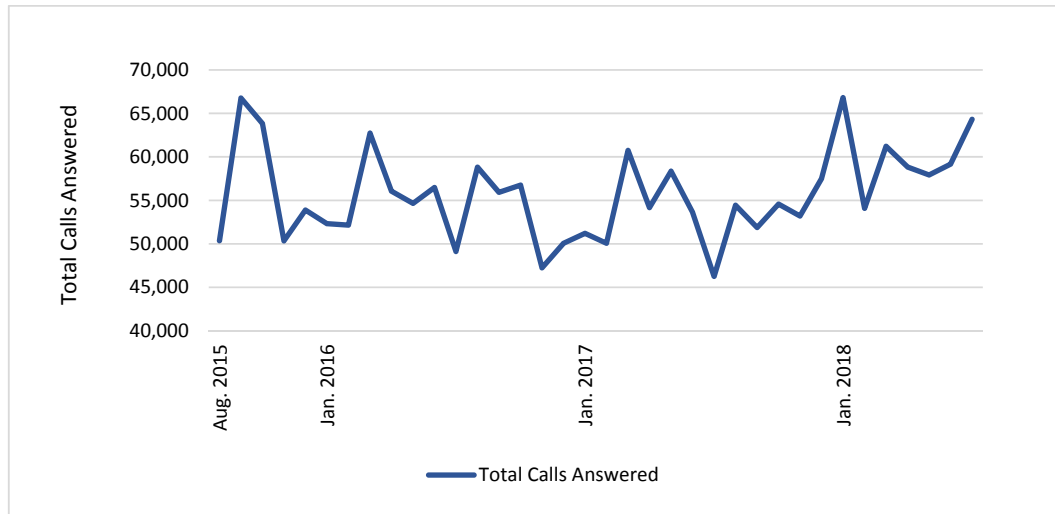
MODERN ACCOUNTING SYSTEM: IDES piloted and launched the SAP Enterprise Resource Program to replace IDES' legacy accounting and inventory systems.

MODERN OVERPAYMENT AUDIT and TRACKING SYSTEM: IDES has replaced two legacy fraud detection and collection programs with a modern and comprehensive fraud detection, prevention, and collection system, that provides a robust platform for bringing even greater integrity to our unemployment system

MOBILE APPLICATIONS: IDES has developed a mobile application for Illinois Job Link, our national labor exchange; a mobile application for Reality Check for enhanced career counseling; a Career Outcomes Tool mobile application, to link post-secondary education programs to wages and employment; and a unemployment insurance recertification application.

CALL CENTERS: Each month, IDES answers tens of thousands of calls from employers and claimants. We have re-organized our claimant call centers, employer helpline, Illinois Job Link hotline, and modernized our call center equipment to provide vastly improved services to those needing assistance and have significantly reduced call wait times.

IDES Employees answered over 2,000,000 calls from Aug. 2015 - Aug 2018



OPERATIONS IMPROVEMENT

Significant and broad improvement on all USDOL Performance standards since 2014. IDES is currently meeting all six USDOL Secretary performance standards and are on track to meet them all by 4th quarter 2018.

IDES is currently meeting all six USDOL Secretary performance standards

	Criterion	Dec 31, 14	Mar 31, 15	Jun 30, 15	Sep 30, 15	Dec 31, 15	Mar 31, 16	Jun 30, 16	Sep 30, 16	Dec 31, 16	Mar 31, 17	Jun 30, 17	Sep 30, 17	Dec 31, 17	Mar 31, 18	Jun 30, 18
First Payment Promptness: Intrastate <= 14 Days	87%	82.6%	83.0%	82.4%	82.3%	82.4%	82.4%	82.9%	83.2%	83.9%	87.9%	88.3%	89.0%	89.4%	89.8%	90.3%
First Payment Promptness: Intrastate <= 35 Days	93%	95.6%	95.5%	95.4%	95.3%	95.2%	95.1%	95.2%	95.3%	95.5%	96.4%	96.7%	96.9%	97.1%	97.2%	97.3%
First Payment Promptness: Interstate <= 14 Days	70%	70.1%	64.9%	60.2%	58.3%	60.2%	61.4%	62.3%	62.8%	63.9%	70.6%	71.1%	72.6%	73.4%	75.5%	77.1%
First Payment Promptness: Interstate <= 35 Days	78%	89.7%	89.4%	88.7%	88.0%	88.7%	89.0%	89.4%	89.7%	90.5%	90.8%	90.7%	91.3%	91.3%	95.5%	92.7%
Lower Authority Appeals: Decisions within 30 Days	60%	65.0%	66.8%	67.9%	65.3%	65.4%	64.8%	67.7%	72.2%	79.0%	87.8%	88.7%	88.9%	89.5%	89.7%	89.3%
Lower Authority Appeals: Decisions within 45 Days	80%	86.2%	87.5%	88.3%	88.8%	90.7%	91.3%	92.0%	92.5%	94.1%	96.4%	96.9%	97.1%	97.2%	97.3%	97.2%

below standard

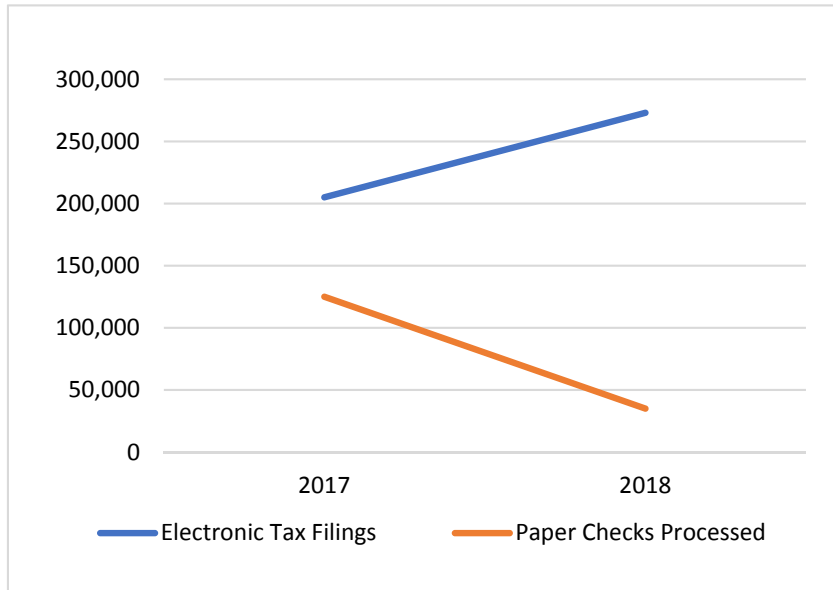
up to 1% above standard

above standard

With the launch of our newly revised internet claim application, application filing issues by claimants have been reduced by over 80% and call center assistance has been reduced by over 50%.

Technology systems upgrades cited above have led to millions of dollars of savings through numerous operational efficiencies and enhanced capabilities. They have also markedly improved the services we provide employers and claimants. The following flow just from our MyTax project:

From 2017 - 2018 quarterly electronic tax filings have increased, while quarterly paper checks processed have decreased



Additionally:

- IDES recovered over \$1 million in delinquent taxes through referral to the Taxpayer Offset Program.
- IDES reduced postage and printing costs by \$1.2 million
- Employers can now see all tax correspondence on line. IDES reduced the number of tax related letters by 2/3 and re-wrote all letters using plain language guidelines.
- IDES cleansed over 27,000 tax records prior to conversion.



IDES is committed to continuous improvement and rapid results is the process we use to drive it. In the past three years over 10% of IDES employees have been trained in Rapid Results to reduce unnecessary spending and improve processes, with dozens of projects either implemented or underway.

LOOKING AHEAD AT THE NEXT 90 DAYS

